



## STAFF REPORT

**Date:** June 23, 2015  
**To:** City Council  
**From:** Nancy Marquez-Suarez, Asst. to the City Manager/HR Manager  
**SUBJECT:** **Adopt Resolution Regarding 2015-16 Compensation and Benefits Program, Employee Salary Ranges and new Employee Classifications**

Approved and Forwarded to City Council:

  
Bryan H. Montgomery, City Manager

### Summary and Background

This agenda item has three related parts:

- a) **Proposed 2015-16 Compensation and Benefits Program**
- b) **Approval of Employee Salary Ranges**
- c) **New Employee Classifications**

Attached is the current Compensation Policy originally adopted in June of 2001 and amended in 2008. The Policy outlines the process of determining employee compensation and benefits and of the establishment of salary ranges.

A key component of the Policy dictates the establishment of salary ranges using competitive market place survey data. The six comparative cities used to determine salary ranges are: Antioch, Benicia, Brentwood, Hercules, Pittsburg, and Pleasant Hill.

- a) Pursuant to the terms and provisions of the Policy, evaluating the City's financial condition and comparing compensation and benefits with the comparing cities, it is proposed that the merit range for employee compensation be 0% to 6%. If approved, each employee will undergo a comprehensive employee performance evaluation and the supervisor may recommend and the City Manager approve a salary increase of anywhere between 0% and 6% with any increase being effective the first pay period of August.

The other comparative cities mentioned in the Policy all provide a health insurance benefit that is significantly greater than what is currently provided to Oakley full-time employees (\$1,035 per month). The attached resolution proposes an increase of \$200 per month in this benefit.

The final element of the proposed Program is for the City to provide a 1% match toward a deferred compensation plan with the purpose of providing some funds and encouraging employees to set aside funds for post-retirement health related costs.

- b) Pursuant to the Policy, a comparative salary survey is to be conducted at least every two years. A survey was not conducted last year, but one has been prepared and almost all ranges are in need of adjustment. Each employee must be within the range, but these adjustments to the ranges do not mean an employee will receive a salary increase unless the employee's current salary is below the minimum of the established range.

Attached as Attachment A to the resolution are the proposed salary ranges for each employee job classification.

- c) As a part of the impending transition of all sworn Police personnel becoming City employees later in the fiscal year and for some additional staffing in the Department, the following are new employee classifications in the Police Department: Chief of Police, Police Lieutenant, Police Sergeant, Police Officer, Police Records Coordinator, and Police Records Technician. We are also proposing to add the position of Streets Maintenance Foreman, which would be filled by a current employee whose title has previously been Public Works Maintenance Worker II.

These job classifications are also found on Attachment A – identified with an asterisk. These primarily relate to new positions related to the establishment of an in-house Police Department. (The Human Resources Technician and Streets Maintenance Foreman positions are held by existing employees and are merely reclassifications).

#### **Fiscal Impact**

Approximately \$200,000 for this upcoming fiscal year to accommodate the various provisions outlined in the attached resolution.

#### **Recommendation**

Adopt the resolution approving the 2015-16 Compensation and Benefits Program, Employee Salary Ranges, and the new Employee Classifications.

#### **Attachment**

1. Compensation Policy
2. Resolution
3. Salary Ranges and New Employee Classifications - - also identified in Attachment A to the Resolution



## COMPENSATION POLICY

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*A compensation policy states the City Council's policy regarding compensation of City employees and provides consistent guidelines in the setting of salary ranges and the movement of employees through the salary ranges.*

### COMPENSATION POLICY

Compensation for City employees is based upon a philosophy of recruiting a small, highly qualified staff, providing competitive compensation, and expecting a high level of work performance.

It is the intent of the City Council to establish a compensation policy, which will support and recognize innovation and exceptional performance. It is the City Council's policy that compensation is based on performance, therefore, individual compensation adjustments are not "automatic", step-oriented, or solely based on cost-of-living adjustments.

It is the City's goal to establish and maintain a compensation program reflective of its mission, vision, and values. The total compensation program offered includes wage/salary, incentive pay opportunities as applicable, and a wide range of benefits.

The City of Oakley Salary structure and ranges will be reviewed as necessary and will be based on the following criteria: (1) an evaluation of the City's ability to pay; (2) competitive market place survey data; (3) the relative value of each position; (4) individual performance; and (5) qualifications and experience.

The compensation program is designed to enable the City of Oakley to successfully attract, develop, retain, and reward employees for their knowledge and contributions.

The City also wishes to foster a team concept within the organization, recognizing the importance of a satisfied, productive, and cohesive workforce. In implementing this program, the following guidelines will be considered based upon the financial resources of the City.

## **1. Considerations in Establishing Compensation Package**

### **A. Competitive Position – Establishment of Ranges**

Employment classifications will be grouped into salary ranges. The salary ranges will include management and non-management employees. New or any modifications to salary ranges will be recommended by the City Manager and adopted by the City Council.

For each individual classification, the City will establish a salary range with a minimum and maximum salary. It is the City's objective to establish ranges that closely match the salary ranges of surveyed classifications at the mean (average) of the survey agencies. After reaching the maximum point, an employee has the opportunity to earn a lump sum merit award based on exceptional performance, but may not be considered for base salary increases unless his or her salary range is adjusted. Salary ranges for part-time employees will be set by the City Manager.

The City will analyze each individual classification as it best matches the classifications of the survey agencies. The salary ranges for classifications that are not closely matched will be set based on internal relationships or a relationship to a similarly surveyed classification.

### **B. Labor Market – Comparative Cities**

The City has established the following comparative cities for salary setting purposes:

- Antioch
- Brentwood
- Hercules
- Pittsburg
- Benecia
- Pleasant Hill

**C. Measurement of Competitive Position**

In considering the City's competitive position, total cash compensation will be considered which includes base salary and any cash related add-ons to base salary. Benefits will be considered, but will not be a part of the direct compensation comparison.

**D. Frequency of Salary Survey**

At least every two years, the City's individual job classifications will be surveyed to assess the City's position relative to the comparative cities as described above. Benchmark classifications will be included in the survey along with other positions that may be common among the survey agencies. Salary ranges will be adjusted at the discretion of the City Council, if necessary to maintain the City's competitive position in the market, taking into consideration the City's financial situation.

**2. Individual Employee Compensation**

**A. Employee Salary Adjustments**

Individual compensation adjustments within the salary ranges will not be "automatic," step-oriented or based solely on cost-of-living adjustments, but will be based on 1) fiscal prudence, 2) objectives achieved, and 3) exceptional individual performance.

The City Manager sets the actual salaries for each employee to be hired within each City-Council approved salary range between the minimum point and the maximum point. On rare occasion, the City Manager may set a salary above the salary range maximum point. The City Manager has the ability to administratively move an individual within the salary range. (The City Council sets the actual salary of the City Manager). Periodically, the City Council will adopt revised salary ranges that take into consideration the competitive market place and the cost of living. When the City Council approves a new or adjusted salary range, the City Manager shall consider said adjustment as each affected employee is evaluated for a merit increase.

**NOTE:** The approved adjustment to a salary range does NOT automatically move the employee within the range, but grants the authority to the City Manager to consider such an increase based on merit, cost of living, and

competitiveness along with any other merit increase range approved by the City Council.

At the time employees are evaluated, the level of performance for each employee will be determined. The range for the percentage of any merit increase (x % - x %) will be determined by the City Council before July 1<sup>st</sup> of each year depending upon the City's competitive position in the market and taking into consideration the City's financial situation. Performance evaluations for all employees will then be conducted and any merit increase considered by the City Manager to be effective the first full pay period of August. (The City Manager will consider, when determining any merit increase, if an employee began employment near the first full pay period of August).

**B. Recognition of On-going Innovation and Exceptional Performance (Annual Merit Award)**

Employees who exhibit innovation and exceptional performance during the previous year may be eligible to receive a lump sum merit award as deemed appropriate by the City Manager. The award will not exceed 10%. Any award above this amount requires approval of the City Council.

**3. Non-Salary Benefits**

At least every two years, the City will review the benefits and related costs provided by the City's survey agencies, to assure the City remains competitive on the basis of total compensation and benefits. Any change in benefits will be approved by the City Council with consideration of the City's competitive position in the market and taking into consideration the City's financial situation.

*Approved June 24, 2008*

## RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY APPROVING THE  
2015-16 COMPENSATION AND BENEFITS PROGRAM AND APPROVING NEW  
EMPLOYEE POSITION CLASSIFICATIONS AND ASSOCIATED SALARY RANGES**

**WHEREAS**, the City Council adopted a Compensation Policy on June 25, 2001 and that was amended on June 24, 2008 establishing the City of Oakley's policy regarding employee compensation in conformance to City Ordinance 17-00; and

**WHEREAS**, pursuant to the Compensation Policy, the City conducts at least every two years a comparative salary and benefit study using the six comparative cities of Antioch, Benicia, Brentwood, Hercules, Pleasant Hill and Pittsburg; and

**WHEREAS**, a comparative salary and benefit study was conducted for Fiscal Year 2015-16; and

**WHEREAS**, the City Council also desires to set forth the compensation and benefits program for Fiscal Year 2015-16; and

**WHEREAS**, the City Council desires to approve new employee classifications and the corresponding salary ranges pursuant to the Compensation Policy.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Oakley hereby approves the following:

- 1) The Fiscal Year 2015-16 Compensation and Benefits Program shall include a 0% to 6% employee merit increase dependent upon supervisor recommendation after a comprehensive employee performance evaluation. Any adjustments will be effective the first pay period of August; and,
- 2) An additional \$200 per month towards the employee health insurance benefit; and
- 3) A 1% match toward a deferred compensation program intended to provide funds and encourage employees to set aside funds for post-retirement health related costs; and
- 4) The new Employee Position Classifications and Salary Ranges found in "Attachment A" that is attached hereto. (New classifications primarily reflect staffing needs stemming from the establishment of Oakley's Municipal Police Department).

The foregoing resolution was introduced at a regular meeting of the Council of the City of Oakley held on the 23<sup>rd</sup> day of June 2015 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

**APPROVED:**

\_\_\_\_\_  
Doug Hardcastle, Mayor

**ATTEST:**

\_\_\_\_\_  
Libby Vreonis, City Clerk

\_\_\_\_\_  
Date



## Attachment A

## Employee Classifications &amp; Salary Ranges 2015-16

Position	Current Range		Proposed 2015-16 Range	
	Minimum	Maximum	Minimum	Maximum
Administrative Assistant	\$ 3,273	\$ 4,048	\$ 3,575	\$ 4,405
Administrative Specialist ( Public Works)	\$ 4,668	\$ 5,768	\$ 4,902	\$ 6,029
Assitant Engineer	\$ 6,032	\$ 7,465	\$ 6,132	\$ 7,590
Assistant to the City Manager (1)	\$ 7,540	\$ 9,480	\$ 8,406	\$ 10,517
Associate Engineer	\$ 6,563	\$ 8,080	\$ 6,970	\$ 8,579
Building Inspector I w/Cert (2)	<b>Vacant</b>		\$ 5,370	\$ 6,618
Building Inspector II w/Combo Cert	\$ 5,719	\$ 6,951	\$ 5,976	\$ 7,366
City Clerk (3)	\$ 7,854	\$ 9,903	\$ 8,261	\$ 9,562
Code Enforcement Manager	\$ 5,892	\$ 7,162	\$ 6,744	\$ 8,197
Code Enforcement Officer	<b>Vacant</b>		\$ 4,825	\$ 5,622
Code Enforcement Technician (4)	\$ 3,347	\$ 4,157	\$ 3,619	\$ 4,217
Economic Development Manager	\$ 7,837	\$ 9,859	\$ 8,427	\$ 10,453
Facilities Maintenance Worker (4)	\$ 2,869	\$ 3,604	\$ 3,431	\$ 4,208
Finance Director	\$ 10,889	\$ 13,557	\$ 10,546	\$ 13,366
Human Resources Technician (5) *	\$ 3,765	\$ 4,782	\$ 4,339	\$ 5,371
Human Resources Manager (1)	\$ 7,540	\$ 9,480	\$ 8,406	\$ 10,519
Paralegal (3)	\$ 7,854	\$ 9,903	\$ 5,475	\$ 6,655
Parks & Landscape Maintenance Div. Manager	\$ 7,447	\$ 9,142	\$ 7,610	\$ 9,487
Parks & Landscape Maintenance Foreman	\$ 4,585	\$ 5,572	\$ 5,466	\$ 6,429
Parks Laborer I	<b>Vacant</b>		\$ 3,122	\$ 3,997
Parks Laborer II	\$ 3,333	\$ 4,146	\$ 3,590	\$ 4,597
Permit Technician	\$ 4,668	\$ 5,768	\$ 4,734	\$ 5,849
Planning Manager	\$ 8,647	\$ 10,692	\$ 8,524	\$ 10,734
Police Chief *	<b>Vacant</b>		\$ 13,250	\$ 15,000



Police Lieutenant *	<b>Vacant</b>		\$ 11,000	\$ 12,500
Police Officer *	<b>Vacant</b>		\$ 7,000	\$ 8,800
Police Records Coordinator *	<b>Vacant</b>		\$ 6,134	\$ 7,567
Police Records Technician *	<b>Vacant</b>		\$ 3,780	\$ 4,595
Police Sergeant *	<b>Vacant</b>		\$ 8,500	\$ 10,500
Police Services Assistant	\$ 3,347	\$ 4,157	\$ 3,413	\$ 4,232
Program Coordinator (5)	\$ 3,813	\$ 3,813	\$ 4,310	\$ 5,306
Public Works Dir./City Engineer	\$ 11,020	\$ 13,730	\$ 11,507	\$ 14,612
Public Works Inspector I	<b>Vacant</b>		\$ 5,282	\$ 6,573
Public Works Inspector II	\$ 6,086	\$ 7,398	\$ 6,208	\$ 7,677
PW Maintenance Laborer I	\$ 2,340	\$ 3,553	\$ 3,187	\$ 3,934
PW Maintenance Laborer II	<b>Vacant</b>		\$ 3,665	\$ 4,524
Records Management Clerk	\$ 3,451	\$ 4,287	\$ 3,997	\$ 4,455
Recreation Manager (6)	\$ 6,156	\$ 7,567	\$ 6,708	\$ 8,220
Recreation & Events Coordinator	\$ 3,957	\$ 4,855	\$ 4,310	\$ 5,306
Senior Accountant	\$ 6,518	\$ 8,047	\$ 7,029	\$ 8,619
Senior Accounting Technician	\$ 4,758	\$ 5,888	\$ 4,907	\$ 6,073
Senior Civil Engineer	\$ 7,770	\$ 9,634	\$ 7,932	\$ 9,842
Senior Planner	\$ 7,475	\$ 9,359	\$ 7,093	\$ 8,838
Streets Maintenance Foreman *	<b>Previously Vacant</b>		\$ 5,466	\$ 6,429
Tree Laborer	\$ 2,166	\$ 2,513	\$ 3,049	\$ 3,705

\* New Job Classification

(1) Employee serves in two positions (Human Resources Manager)

(2) One of two employee serves in both positions (Code Enforcement Officer)

(3) Employee serves in two positions (Paralegal)

(4) Employee serves in two positions (Code Enforcement Technician)

(5) Employee serves in two positions (YMWO Program Coordinator)

(6) Employee serves in added capacity of Webmaster